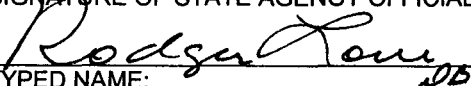


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 02 - 05	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: January 1, 2003	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act 1904(a)(18)		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2003 \$ \$63,027 b. FFY 2004 \$ \$145,109	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: Amendment 625 allows payment for hospice services in an Intermediate Care Facility for Persons with Mental Retardation (ICF/MR). The amendment will allow the hospice provider to pay the ICF/MR provider 95% of the daily reimbursement rate for room and board.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Rodger Love Interim State Medicaid Director Post Office Box 13247 Austin, Texas 78711	
13. TYPED NAME: Rodger Love			
14. TITLE: Interim State Medicaid Director			
15. DATE SUBMITTED: November 18, 2002			

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	18. DATE APPROVED
19. EFFECTIVE DATE OF APPROVAL	
20. TYPED NAME	21. TITLE
22. REMARKS	

Attachment to CMS – 179 for
Transmittal No. 02-05, Amendment No. 625

Number of the
Plan Section or Attachment

Number of the Superseded Plan
Section or Attachment

Attachment 4.19-B
Page 10
Page 11

Attachment 4.19-B
Page 10 (TN92-34)
Page 11 (TN92-34)

Appendix 1, Attachment 3.1-B
Page 40

Appendix 1, Attachment 3.1-B
Page 40 (TN92-34)

19. Hospice Care

The TDHS Medicaid Hospice Program pays Medicaid hospice rates that are calculated by using the Medicare hospice methodology but adjusted to disregard cost offsets allowed for Medicare deductible/coinsurance amounts. TDHS does not apply/follow Medicare hospice rate freezes. The TDHS Medicaid Program also pays physician reimbursements for the physician's professional, direct, patient care services related to the recipient's terminal condition. Physician reimbursements are made according to usual Medicaid payment amounts for physician services under the Texas Medical Assistance Program. No cost sharing may be imposed for hospice services rendered to Medicaid recipients. TDHS uses the current Medicaid reimbursement cap (a maximum) per year (November 1 through October 31) for the Hospice Program.

TDHS pays an additional rate to take into account the room and board furnished by the facility for Medicaid hospice recipients residing in nursing facilities or intermediate care facilities for persons with mental retardation. TDHS pays the Medicaid hospice provider who, in turn, pays the nursing facility or intermediate care facility for persons with mental retardation. To be paid, the hospice provider and the nursing facility or intermediate care facility for persons with mental retardation must have a contract that includes the following agreements.

- (1) The hospice is fully responsible for the professional management of the recipient's hospice care; and
- (2) The nursing facility or intermediate care facility for persons with mental retardation agrees to provide room and board to the Medicaid hospice recipient.

SUPERSIDES FN: TX 92-34

STATE	<u>TEXAS</u>
DATE REC'D	<u>11-18-02</u>
DATE	<u>1-24-03</u>
DATE	<u>1-1-03</u>
HCFA 170	<u>TX 02-05</u>

For recipients eligible for both Medicaid and Medicare (dually eligible recipients) who elect the Medicare and Medicaid hospice programs, the Texas Medicaid Hospice Program pays the hospice provider:

- (1) a Medicare coinsurance of 5% (not to exceed \$5 per prescription) of the cost of drugs and biologicals determined according to a drug copayment schedule established by the hospice;
- (2) a Medicare coinsurance of 5% for each day of respite care (not to exceed the inpatient hospital deductible that applies to the year in which the coinsurance period began); and
- (3) an additional rate to take into account the room and board furnished by the facility for each day a dually eligible recipient resides in a nursing facility or intermediate care facility for persons with mental retardation.

SUPERSEDES TN- TX 92-34

STATE	<u>Texas</u>
DATE REC'D	<u>11-18-02</u>
DATE FILED	<u>1-24-03</u>
DATE PAID	<u>1-1-03</u>
HOPE #	<u>TX 02-05</u>

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18. Hospice Care.

The Texas Department of Human Services (TDHS) administers the Texas Medicaid Hospice Program through provider enrollment contracts with hospice agencies. These agencies must be licensed by the TDHS and Medicare certified as hospice agencies by the Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services. Coverage of services in the Texas Medicaid Hospice Program follows the amount, duration, and scope of services specified in the Medicare Hospice Program, with the following three exceptions.

1. The Texas Medicaid Hospice Program has unlimited benefit periods of unlimited duration.
2. The Texas Medicaid Hospice Program does not have a maximum number of days for which a recipient can receive hospice services under Medicaid.
3. The Texas Medicaid Hospice Program does not allow cost sharing to be imposed on Medicaid recipients for hospice services rendered to Medicaid recipients.

The recipient must file a Medicaid election statement with a particular Medicaid hospice provider. In doing so, the recipient waives rights to other [TDHS] Medicaid services that are related to the treatment of his terminal illness(es), and that are also provided by Medicare. The recipient has the right to cancel the election at any time without forfeiting additional Medicaid hospice coverage at a later time. The recipient does not waive rights to Medicaid services for conditions not related to the terminal condition. Dually eligible (Medicare and Medicaid) recipients must participate in the Medicare and Medicaid hospice programs simultaneously in order to receive Medicaid hospice services.

SUPERSEDES TN- TX 92-34

STATE	<u>Texas</u>
DATE PAID	<u>11-18-02</u>
DATE PAID	<u>1-24-03</u>
DATE PAID	<u>1-1-03</u>
HCFA 175	<u>TX 02-05</u>

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